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February 26, 2025

VIA ECF ONLY

Hon. Robert E. Grossman
United States Bankruptcy Judge
United States Bankruptcy Court
290 Federal Plaza
Central Islip, New York 11722

Re: In re Sprout Mortgage LLC, Chapter 11, Case No. 23-72433-reg

Dear Judge Grossman:

The undersigned is counsel to Allan B. Mendelsohn, the operating trustee (the “Trustee”) in the above referenced case. During the course of a status conference held before the Court today, February 26, 2025, the undersigned advised the Court that an entity known as 16 EF Apartment LLC (“16 EF”) filed a voluntary petition for relief from its creditors pursuant to chapter 11 of the Bankruptcy Code in the Southern District of New York. This Court directed the Trustee to prepare and place on this Court’s docket, a report of the pending chapter 11 case. Accordingly, the Trustee respectfully submits the following:

On January 29, 2025, 16 EF filed a *pro se* chapter 11 case under case no. 25-10159-mew. The case is pending before the Hon. Michael E. Wiles, United States Bankruptcy Judge. A copy of the docket in that case is annexed hereto. The petition, filed *pro se*, consists of a total of five pages and is nothing more than a “barebones” filing. A copy of the petition is annexed hereto. A review of the petition indicates that 16 EF did not indicate any pending related cases. The petition was executed by Michael Strauss (“Strauss”). The creditors’ matrix provided by 16 EF listed two (2) parties; to wit: (i) Axos Bank; and (ii) Mara Enterprises. No other parties were provided notice.

According to the Court’s docket, a section 341(a) meeting of creditors is scheduled for today, February 26, 2025, at 2:00 p.m. According to the Court’s docket, the initial case conference before Judge Wiles is scheduled for March 4, 2025, at 10:00 a.m. According to the Court’s

docket, the United States Trustee has filed a motion seeking dismissal of the pending chapter 11 based upon 16 EF failing to be represented by counsel. A copy of the United States Trustee motion to dismiss is annexed hereto. The Board of Managers of 610 Park Avenue Condominium has filed a motion seeking relief from the automatic stay. A copy of the motion is annexed hereto.

On February 19, 2025, Judge Wiles, *sua sponte*, issued an Order, a copy of which is annexed hereto, directing 16 EF as well as other parties, to provide service of all papers upon the Trustee's special counsel, Westerman Ball, because Judge Wiles indicated that the court did not know whether the Trustee "has any interest in the proceedings in this case of any claim to the assets of 16EF Apartment LLC."

Prior to the Trustee's special counsel receiving notice of the chapter 11 filing of 16 EF as a result of Judge Wiles February 19, 2025, Order, the Trustee was not made aware of the chapter 11 filing. Clearly 16 EF did not provide notice, nor did it disclose any "related" pending cases.

The Trustee understands that the asset of 16 EF is an apartment located at 610 Park Avenue, New York, New York. The apartment is subject to liens held by Axos Bank in the approximate amount of \$15,000,000; by Mara Enterprises in the approximate amount of \$3,000,000; and the condominium board as set forth in its motion for relief from the automatic stay. Moreover, the Trustee has no claims against 16 EF. In the event that the Trustee is successful against Michael Strauss and the apartment located at 610 Park Avenue is liquidated and 16 EF receives a distribution of equity, that equity may be available to satisfy any judgment entered against Michael Strauss. Other than that, the Trustee avers that he is not a creditor of the pending 16 EF chapter 11 bankruptcy case.

Should the Court require additional information, the Trustee shall make himself available at the Court's direction.

Respectfully submitted,

S/Fred S. Kantrow
Fred S. Kantrow

Cc: Allan B. Mendelsohn
Todd M. Gardella